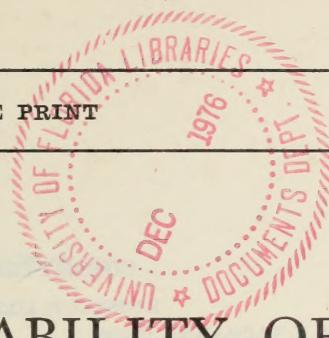


4.F49:015/4/975 ✓

-2
94th Congress }
2d Session }

COMMITTEE PRINT



1975 PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

COMMITTEE ON FINANCE
UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*



DECEMBER 1976

Printed for the use of the Committee on Finance

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1976

79-029 O

For sale by the Superintendent of Documents, U.S. Government Printing Office

Washington, D.C. 20402 - Price 55 cents

There is a minimum charge of \$1.00 for each mail order

COMMITTEE ON FINANCE

RUSSELL B. LONG, Louisiana, *Chairman*

HERMAN E. TALMADGE, Georgia
VANCE HARTKE, Indiana
ABRAHAM RIBICOFF, Connecticut
HARRY F. BYRD, JR., Virginia
GAYLORD NELSON, Wisconsin
WALTER F. MONDALE, Minnesota
MIKE GRAVEL, Alaska
LLOYD BENTSEN, Texas
WILLIAM D. HATHAWAY, Maine
FLOYD K. HASKELL, Colorado

CARL T. CURTIS, Nebraska
PAUL J. FANNIN, Arizona
CLIFFORD P. HANSEN, Wyoming
ROBERT DOLE, Kansas
BOB PACKWOOD, Oregon
WILLIAM V. ROTH, JR., Delaware
BILL BROCK, Tennessee

MICHAEL STERN, *Staff Director*
DONALD V. MOOREHEAD, *Chief Minority Counsel*
ROBERT M. WILLAN, *Tax Counsel*

(II)

CONTENTS

	Page
Preface	1
Consolidated tables of 10 major oil companies:	
1. Rates of return on shareholders' investment for 10 major oil companies, 1966-75	2
2. Net income, net assets, and rates of return for 10 major oil companies, 1976 (1st quarter), 1975, 1974, 1973, and 1970	4
3. Effective tax rates paid by 10 major oil companies, 1966-75—Includes all taxes, other than excise taxes, paid to Federal, State, local, and foreign government	6
4. Rates of profitability of sales, of taxes, and of employed capital for 10 major oil companies, 1975, 1974, 1973, 1970 and 1967	8
5. Taxes other than excise taxes paid in 1974-75	20
6. Selected financial data, divided into domestic and foreign operations of 10 major oil companies for 1975 and for 10-year period, 1965-74	23
7. Rates of profitability of sales for 10 major oil companies, 1975, 1974, 1973, 1970, and 1967	28
8. Rates of profitability of employed capital for 10 major oil companies, 1975, 1974, 1973, 1970, and 1967	32
9. Effective tax rates for 10 major oil companies, 1975, 1974, 1973, 1970, and 1967 effective tax rates	36
10. Annual rates of return on stockholders' equity for all manufacturing, durable manufacturing, and nondurable manufacturing compared to petroleum	40

(III)

Digitized by the Internet Archive
in 2013

PROFITABILITY OF SELECTED MAJOR OIL COMPANY OPERATIONS

(Data Supplied by 10 Major Oil Companies in Response to Committee Request)

PREFACE

On December 30, 1974, the Committee on Finance issued an analysis of selected oil companies' profitability over the period 1964-73, entitled "Profitability of Selected Major Oil Company Operations." This analysis was based on information supplied by 10 selected oil companies, and included the companies responses to a Committee questionnaire as well as various summaries of the information in such responses.

On June 25, 1975, the Committee issued an updated analysis of the same selected oil companies' profitability over the period 1965-74, plus the first quarter of 1975, entitled "1974 Profitability of Selected Major Oil Company Operations." In order to update the 1974 analysis with the results of 1975 operations the Chairman made the following request of the 10 companies:

"The new survey will require the same information for 1975 and first quarter 1976 as is shown in the enclosed copy of '1974 Profitability of Selected Major Oil Company Operations.' If there are any corrections with respect to previous year's data shown in the 1974 analysis, they should be supplied, along with the original figures being corrected." A revised form for Table 6 was also enclosed.

Included in this Committee print are tables reflecting the information supplied by the companies with respect to their operations for 1975 and first quarter, 1976, including revisions of prior information by several companies to reflect the retroactive adoption by such companies of new Financial Accounting Standards Board accounting rules issued in 1975. Summaries of earlier years' operations, derived from tables included in previously issued analyses are reprinted here for purposes of comparison, subject to revisions in information previously supplied by the companies. Also included is a table of rates of return for all manufacturing, durable and nondurable manufacturing, derived from Quarterly Financial Reports issued by the Federal Trade Commission, for purposes of comparison with the returns of the 10 selected oil companies.

As indicated previously, several of the companies express concern that annualization of the first quarter rates of return for 1976 should not be construed as an estimate of the earnings rate for the entire year 1976. In addition, some companies caution that rates of return on shareholders' equity, where such equity is based on historical or book costs (as is the case in the tables herein), tend to be significantly overstated in periods of inflation—since historical costs underestimate the value of assets being utilized or consumed in such periods.

TABLE 1.—RATES OF RETURN ON SHAREHOLDERS' INVESTMENT FOR 10 MAJOR OIL COMPANIES, 1966-75
[In millions of dollars]

	1st quarter 1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
Total Rates of Return										
Exxon ^{1,2,3}	17.2	15.3	20.6	18.8	12.8	13.5	12.6	12.5	13.3	12.6
Gulf ^{4,5}	13.2	11.2	18.6	15.2	8.6	10.9	11.2	13.1	14.4	14.2
Mobil ⁴	12.5	12.3	17.2	15.6	11.5	10.9	10.9	10.8	10.8	10.3
Phillips ^{1,7}	16.0	14.9	15.8	11.6	9.7	9.7	10.5	11.3	13.7	13.7
Shell ⁴	20.6	13.8	18.7	11.1	9.2	8.9	8.8	11.5	15.1	15.0
Standard of California ⁴	11.1	12.0	15.8	15.3	10.8	10.7	10.0	10.5	11.0	10.6
Standard of Indiana ^{1,2}	19.3	15.7	21.9	13.1	10.5	11.0	10.9	11.0	10.3	9.8
Standard of Ohio ¹	5.8	4.0	6.0	7.0	4.5	6.1	7.8	6.6	17.1	18.2
Sun ¹	16.4	10.0	19.1	12.8	9.1	9.4	8.7	9.8	11.3	NA
Texaco ^{4,9}	10.3	9.7	19.5	17.7	12.7	13.7	13.2	12.9	15.3	15.0
Weighted average ¹⁰	14.4	12.7	18.6	15.8	11.1	11.6	11.3	11.7	12.8	12.5
U.S. Rates of Return										
Exxon ^{1,3}	24.4	21.3	22.0	17.6	15.3	15.3	14.0	15.0	14.0	14.1
Gulf ^{4,5}	15.0	13.0	12.3	7.8	10.9	11.5	11.9	14.1	15.9	15.9
Mobil ⁴	15.9	8.0	10.6	10.1	9.2	9.3	10.1	10.8	10.4	9.8
Phillips ^{1,6,7}	15.4	15.4	16.5	10.5	11.3	10.2	11.2	11.8	12.6	14.8
Shell ⁴	21.2	14.9	20.3	12.4	10.1	9.7	9.2	11.4	14.9	14.4
Standard of California ⁴	11.6	6.4	9.1	5.6	6.4	6.0	6.3	7.4	7.4	7.0
Standard of Indiana ^{1,2}	20.1	16.1	21.6	14.9	12.1	11.0	12.2	12.6	11.9	12.4
Standard of Ohio ¹	5.8	3.8	6.0	4.6	1.6	4.8	7.2	5.1	15.4	15.7
Sun ¹	23.2	15.4	20.5	12.9	12.5	12.6	11.1	12.4	17.1	NA
Texaco ^{4,9}	10.5	9.8	10.6	11.9	12.5	12.1	12.8	11.7	17.0	17.0
Weighted average ¹⁰	17.0	12.9	15.2	11.6	10.8	10.0	11.0	11.6	13.1	12.9

Foreign Rates of Return

Exxon ^{1, 2, 3}	13.4	12.1	19.5	12.3	12.5	11.6	10.8	12.8	11.8
Gulf ⁴	8.8	8.5	27.1	24.4	5.5	10.0	11.4	12.1	11.4
Mobil ⁴	8.6	18.1	25.9	21.2	14.1	14.2	12.0	10.9	11.4
Phillips ^{1, 7}	17.2	14.0	14.5	14.2	5.2	8.2	5.2	4.9	10.8
Shell ⁴	3.1	Loss	Loss	Loss	Loss	Loss	100+	100+	7.9
Standard of California ⁴	10.5	19.6	25.5	29.7	17.8	19.0	17.5	19.4	19.0
Standard of Indiana ^{1, 2}	17.3	14.7	19.9	8.4	6.3	11.1	6.5	5.4	5.6
Standard of Ohio ^{1, 6}	(6)	(6)	(6)	79.7	142.4	73.4	41.2	55.9	41.7
Sun ¹ .....	.4	Loss	15.8	12.8	3.2	3.4	1.1	(8.10)	NA
Texaco ^{4, 9}	10.1	9.7	28.9	23.9	12.9	15.6	13.9	14.8	12.5
Weighted average ^{9, 10}	11.3	12.6	23.0	21.1	.....	.....	11.8	.....	12.2

¹ Rates of return are for petroleum operations only.

² Foreign rate of return revised to accord with FASB 1975 revision of accounting standards for 1974.

³ The total figures represent the return for the total corporation. The breakdown into U.S. and foreign segments returns are based on some arbitrary assumptions concerning the allocation of the corporation's financing and of headquarters' net assets and administrative costs.

⁴ Rates of return are for total corporate operations.

⁵ Gulf restated U.S. and total rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.

⁶ Post-1973 foreign investment is negligible.

⁷ The net asset data (stockholders' equity) used in computing the rates of return were obtained by allocating Phillips' total stockholders' equity among its operating segments on the basis of capital employed, as requested by the committee.

⁸ Net loss.

⁹ Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs, in accounting for foreign currency translation and for contingencies.

¹⁰ Weighted average refers to total companies' return as a percentage of total companies' net assets.

General Notes.—Rates of return are calculated on average net assets. 1st quarter 1976 returns are based on assets as of Jan. 1, 1976, generally. The Companies caution that annualization of 1st quarter earnings rates are not to be considered as an estimate of 1976 earnings rates.

Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. ⁵ of the companies reported profits on petroleum operations as requested. ⁵ companies reported total corporate profit data.

Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell, and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee. The question as stated by the Finance Committee was: "What was the overall rate of return, after taxes, which your company realized on stockholders, investment devoted to exploration, development, production, manufacturing, transportation, and marketing of petroleum products in the United States (and abroad)?"

TABLE 2.—NET INCOME, NET ASSETS, AND RATES OF RETURN FOR 10 MAJOR OIL COMPANIES, 1976 (1st quarter), 1975, 1974, 1973, AND 1970

	1st quarter 1976 (annualized)				1975				1974				1973				1970			
	Net income	Rate of return (per- cent)	Net income	Net assets	Rate of return (per- cent)		Net income	Net assets	Rate of return (per- cent)		Net income	Net assets	Rate of return (per- cent)		Net income	Net assets	Rate of return (per- cent)			
					1975	1974			1974	1973			1973	1970			1970	1970		
Exxon:																				
Total	671	17.2	3,230.8	15,085	15.3	2,531	12,402	20.6	2,300	12,254	18.8	1,267	10,055	12.6						
United States	328	24.4	1,107	5,189	22.0	1,021	4,647	22.0	830	4,716	17.6	587	4,193	14.0						
Foreign	343	13.4	1,201	9,896	12.1	1,510	7,755	19.5	1,470	7,538	19.5	680	5,862	11.6						
Gulf:	Total	198	12.3	700	6,273	11.2	1,065	5,709	18.6	800	5,249	15.2	550	4,919	11.2					
United States	135	15.0	478	3,663	13.0	401	3,262	12.3	226	2,893	7.8	359	3,006	11.9						
Foreign	63	8.8	222	2,610	8.5	664	2,447	27.1	574	2,356	24.4	191	1,913	10.0						
Mobil:	Total	213	12.5	810	6,639	12.3	1,047	6,076	17.2	849	5,430	15.6	483	4,425	10.9					
United States	143	15.9	304	3,858	8.0	366	3,450	10.6	275	2,721	10.1	247	2,454	10.1						
Foreign	70	8.6	504	2,781	18.1	681	2,626	25.9	574	2,709	21.1	235	1,970	12.0						
Phillips:	Total	71	16.0	254	1,703	14.9	233	1,473	15.8	152	1,309	11.6	124	1,245	9.9					
United States	45	15.4	174	1,132	15.4	162	982	16.5	96	911	10.5	110	1,982	11.2						
Foreign	26	17.2	80	1,571	14.0	171	491	14.5	56	398	14.2	14	264	5.2						
Shell:	Total	202	20.6	515	3,736	13.8	621	3,327	18.7	333	3,010	11.1	237	2,705	8.8					
United States	201	21.2	541	3,638	14.9	666	3,278	20.3	370	2,993	12.4	249	(12)	2,705	9.2					
Foreign	1	3.1	(26)	(97)	(*)	(45)	(100+)	(37)	(100+)	(100+)	(100+)	(17)	(100+)	(100+)	(100+)	(100+)	(100+)			
Standard of California:	Total	182	11.1	773	6,467	12.0	970	6,128	15.8	844	5,514	15.3	455	4,537	10.0					
United States	105	11.6	240	3,753	6.4	3,608	9.1	184	3,293	5.6	194	3,071	6.3							
Foreign	77	10.5	533	2,714	19.6	643	2,519	25.5	660	2,221	29.7	261	1,466	17.8						
Standard of Indiana:	Total	246	19.3	761	4,848	15.7	873	4,179	20.9	466	3,570	13.1	320	2,930	10.9					
United States	178	20.1	549	3,405	16.1	638	2,959	21.6	381	2,548	14.9	258	2,124	12.2						
Foreign	68	17.3	212	1,443	14.7	235	1,220	19.2	85	1,022	8.4	62	806	7.7						
Standard of Ohio:	Total	17	1.3	49	1,229	4.0	63	1,045	6.0	69	992	7.0	68	866	7.8					
United States	17	1.3	46	1,228	3.8	63	1,045	6.0	45	962	4.6	60	846	7.2						
Foreign	3											24	20	79.7	4.1					

Sun Co.: ⁶												
Total	91	16.4	216	2,163	10.0	375	1,968	19.1	225	1,754	12.8	138
United States	91	23.2	240	1,559	15.4	280	1,367	20.5	144	1,120	12.9	134
Foreign	(f)	.4	(24)	604	(i)	95	601	15.8	81	634	12.8	4
Texaco: ^{7,10}												
Total	224	10.3	831	835	9.7	1,545	7,910	19.5	1,243	7,041	17.7	760
United States	124	10.5	449	4,584	9.8	1,432	4,057	10.6	4,334	3,661	11.9	434
Foreign	100	10.1	382	3,951	9.7	1,113	3,853	28.9	809	3,390	23.9	324
10-company total	2,115	14.4	7,217	56,677	12.7	50,217	32,109	18.6	7,281	46,123	15.8	4,402
United States	1,367	17.0	4,130	32,109	12.9	4,356	28,655	15.2	2,980	25,808	11.6	2,634
Foreign	748	11.3	3,087	24,567	12.6	4,967	21,561	23.0	4,296	20,315	21.1	1,767
												15,002

¹ U.S. net income, assets, and rates of return are for petroleum and natural gas operations only for all years. In 1973 petroleum profits represented about 93 percent of total U.S. profits.

² Foreign net income, assets, and rates of return are for petroleum and natural gas operations only for 1973, 1974, 1975, and 1976, and for all Exxon foreign operations for 1964-70. Petroleum profits represent about 92 percent of 1973 total foreign profits.

³ Foreign income revised for 1974 to accord with 1975 FASB accounting revision.

⁴ All income and asset data are for total corporate operations.

⁵ Gulf restated United States and total assets and rates of return 1966-74 to reflect retroactive effects of adopting FASB No. 9; Gulf 1972 return is before extraordinary write-off.

⁶ All income and asset figures are for petroleum operation only.

⁷ Post-1973 foreign investment is negligible.

⁸ U.S. income and assets are for petroleum operations only; foreign income and assets include all foreign operations.

⁹ All income and asset figures are for petroleum operation only.

¹⁰ Texaco restated income and assets for 1964-74 to reflect revision in accounting for exploratory costs from capitalization to expensing of such costs, in accounting for foreign currency translation and for contingencies.

*Negative rate.

^fLess than a million.

ⁱNet Loss.

General notes: Net assets (shareholders' equity) are average of beginning and ending of year, calculated in some cases from information supplied by the companies. Allocation of net assets by United States and foreign is generally on the basis of the capital employed in the respective operations.

This may involve some arbitrary allocation of the corporation's financing and headquarters' net assets and administrative costs, as noted by Exxon and others. On the other hand, borrowings secured by assets in a specific location probably have the effect of removing such assets as security for general borrowings, so that allocation of net assets on the basis of location of total assets is not entirely unreasonable. Caution: Annualization of 1st quarter 1976 earnings rates, which are generally based on assets as of Jan. 1, 1976, are not to be considered as an estimate of 1976 earnings rates.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for profit data from petroleum operations. Five of the companies reported profits on petroleum operations as requested. Five companies reported total corporate profit data.

Of the 5 companies reporting total corporate profit, Mobil, Gulf, Shell and Standard of California all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

However, due to these variations in reporting by the 10 companies, the 10-company total figures at the end of the table represent only a general order of magnitude of net income and assets and rates of return. Source: Responses from the 10 major oil companies listed above to a questionnaire from the Senate Finance Committee. The question as stated by the Finance Committee was: "What was the overall rate of return, after taxes, which your company realized on stockholders' investment devoted to exploration, development, production, manufacturing, transportation, and marketing of petroleum products in the United States (and abroad)?" Prepared by Susan Dovell, research assistant, Economics Division, Congressional Research Service, Library of Congress.

TABLE 3.—EFFECTIVE TAX RATES PAID BY 10 MAJOR OIL COMPANIES, 1966 TO 1975—INCLUDES ALL TAXES, OTHER THAN EXCISE TAXES, PAID TO FEDERAL, STATE, LOCAL, AND FOREIGN GOVERNMENTS

[In percent]

	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	6
Total:											
Exxon ¹	81.0	81.8	78.1	79.8	76.9	77.8	76.3	75.5	76.5	76.4	
Gulf	79.1	75.2	67.2	70.2	63.7	55.5	50.2	45.3	47.5	46.4	
Mobil	76.4	73.9	62.4	63.2	63.9	57.1	55.4	54.1	49.6	48.5	
Phillips ^{1,2}	65.2	60.8	44.5	51.9	47.5	46.8	42.5	42.2	41.9	42.3	
Shell	57.8	43.6	43.6	45.6	43.7	46.0	39.1	36.8	36.1	38.0	
Standard of California	68.2	61.9	59.2	65.1	63.6	60.5	55.8	52.9	48.4	32.5	
Standard of Indiana ¹	69.3	54.3	46.6	43.0	40.9	41.1	39.7	42.0	40.9	39.8	
Standard of Ohio ¹	47.9	47.4	50.1	56.6	35.6	29.2	58.8	47.2	43.8	44.1	
Sun ¹	73.1	62.3	54.1	55.4	54.2	57.0	53.0	48.4	NA	NA	
Texaco	92.0	85.9	75.0	76.8	72.1	68.5	68.6	64.1	63.2	NA	
10-company average ³	81.7	77.2	70.4	.....	.....	66.9	.....	.....	62.6	.....
United States:											
Gulf	46.7	40.5	41.0	28.5	30.7	31.6	26.9	19.4	29.6	33.3	
Mobil	40.7	42.6	41.5	38.9	45.9	44.1	38.9	34.7	39.7	39.4	
Phillips ^{1,2}	51.4	46.9	50.0	48.6	52.8	50.5	45.3	45.8	45.1	43.1	
Shell	58.1	44.1	44.0	45.7	44.0	46.1	38.3	36.2	35.8	36.9	
Standard of California	61.2	44.1	49.2	44.8	45.6	44.6	34.9	36.3	36.5	37.5	
Standard of Indiana ¹	61.6	46.5	41.6	46.0	48.1	48.1	44.2	48.3	40.6	39.3	
Standard of Ohio ¹	27.0	29.2	48.5	56.2	31.0	26.6	59.4	46.7	43.0	43.0	
Sun ¹	63.4	48.4	50.5	47.7	47.5	48.3	42.0	37.7	NA	NA	
Texaco	61.0	49.5	38.2	36.9	36.9	37.9	31.9	26.4	26.1	NA	
Exxon ¹	50.1	44.5	42.3	40.8	41.3	43.7	40.2	40.5	39.3	38.5	
10-company average ³	55.1	44.9	43.0	.....	.....	.....	.....	.....	42.6	35.7	

Foreign:												
Exxon ¹	90.2	87.2	83.7	87.0	84.4	85.4	85.4	83.1	84.4	83.8	83.8	
Gulf	91.0	81.7	72.1	88.0	79.1	73.2	69.6	67.0	67.9	63.8	63.8	
Mobil	82.7	79.8	67.9	71.3	71.3	65.5	67.0	66.4	57.8	54.7	54.7	
Phillips ³	82.0	80.3	49.8	49.8	49.8	49.8	49.8	49.8	49.8	49.8	49.8	
Shell ⁴	70.5	67.2	61.4	71.2	69.3	67.4	66.0	61.7	55.6	26.2	26.2	
Standard of California	79.7	66.9	61.3	22.1	10.1	4.8			57.7	95.7	95.7	
Standard of Indiana ^{1,4}	90.3	81.2	58.8				60.3		50.2			
Standard of Ohio ^{1,5}	79.1	59.2	77.6	77.1	93.0				NA			
Sun ^{1,4}	89.0	81.1	85.9	81.9	81.1	81.1	82.8	81.8				
Texaco	95.9											
10-company average ²	89.8	84.9	77.8		79.7			78.4				

¹ Based on income and taxes of petroleum operations only.

² The rates of profitability of taxes for Phillips were recalculated using the tax and income figures supplied by Phillips; however, Phillips points out that the income shown includes earnings of companies accounted for by the equity method, whereas the tax figures do not include taxes paid by such companies. Hence, the taxes are understated.

³ The 10-company average is the total companies' taxes, in the respective categories, as a percent of total companies' income after tax plus taxes (other than excises) paid to Federal, State, local and foreign governments. See table 5 for detail of taxes for 1975. Caution: The above ratios reflecting effective tax rates of the companies do not represent the effective tax rate paid to the U.S. Government. Rather, they show the total tax burden sustained by the selected 10 major oil companies.

⁴ These companies had losses on foreign operations in certain years not shown.

⁵ Foreign operations of these companies are, or were, relatively insignificant, i.e., less than 5 percent of net assets.

Note: Data in this table were supplied by the 10 major oil companies in response to a questionnaire from the Senate Finance Committee asking for data from petroleum operations. 5 of the companies reported profits on petroleum operations as requested, 5 companies reported total corporate profit data. 4 of the 5 companies reporting total profit data, Mobil, Gulf, Shell, and Standard of California, all indicated that the nonpetroleum portion of their business was relatively insignificant and its inclusion should not therefore create any distortions in the data.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967
[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
Exxon total	2,308	44,964	5.1	12,121	19.0	16,142	16.0
United States ²	1,107	11,726	9.4	1,113	49.9	6,192	18.1
Foreign ³	1,201	33,238	3.6	11,008	9.8	9,950	14.6
Gulf total ⁵	700	15,838	4.4	2,656	20.9	8,687	9.6
United States	478	7,230	6.6	418	53.3	4,671	10.7
Foreign	222	8,608	2.6	2,238	9.0	4,016	8.1
Mobil total ⁶	810	20,842	3.9	2,625	23.6	14,8,421	10.8
United States	306	6,400	4.8	210	59.3	4,568	7.4
Foreign	504	14,442	3.5	2,415	17.3	3,853	14.9

Phillips total ⁶	254	4,529	7 4.9	421	34.8	2,266	11.8
United States	174	3,579	4.8	181	48.6	1,506	11.8
Foreign	80	950	5.5	240	18.0	760	11.8
Shell total ⁵	515	8,224	6.3	706	42.2	¹⁰ 4,536	12.2
United States	541	8,204	6.6	750	41.9	4,441	13.0
Foreign	(26)	20	.....	(44)	(39.1)	95	(²⁶)
Standard of California total ⁶	773	16,821	4.6	¹¹ 1,655	31.8	¹¹ 7,832	10.9
United States	240	6,472	3.7	378	38.8	4,666	6.0
Foreign	533	10,349	5.2	1,277	29.5	3,166	18.3
Standard of Indiana total ⁶	761	9,951	7.6	1,714	30.7	6,829	12.0
United States	549	7,909	6.9	880	38.4	4,988	11.8
Foreign	212	2,042	10.4	834	20.3	1,841	12.8
Standard of Ohio total ⁶	49	2,089	2.3	45	52.1	2,726	1.8
United States	46	2,004	2.3	17	73.0	2,726	1.7
Foreign	3	85	3.5	28	9.7	(²³)	.....
Sun Co. total ⁶	216	4,377	4.9	727	22.9	3,314	⁴ 7.3
United States	240	3,627	6.6	416	36.6	2,673	9.6
Foreign	(24)	750	(²⁶)	311	(²⁶)	641	(²⁶)

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued
[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ²	Rate of profitability of employed capital ³
Texaco total ⁵	831 ¹⁷	24,331	3.4 ¹³	9,536	8.0 ¹⁴	10,774	8.4
United States	449	9,209	4.9	701	39.0	5,893	8.1
Foreign	382	15,122	2.5	8,835	4.1	4,881	8.7
10-company total ²⁴	7,217	151,966	4.7	32,206	18.3	71,527	(¹²)
United States	4,130	66,360	6.2	5,064	44.9	42,324	(¹²)
Foreign	3,087	85,606	3.6	27,142	10.2	29,203	(¹²)
Exxon total ¹⁸	2,531	42,087	6.0	11,863	17.6	14,732	19.5
United States ²	1,021	10,761	9.5	817	55.5	5,044	20.5
Foreign ³	1,510	31,326	4.8	11,046	12.0	9,688	19.0
Gulf total ⁵	1,065	17,952	5.9	3,229	24.8	8,439	14.6
United States	401	7,280	5.5	273	59.5	4,871	9.8
Foreign	664	10,672	6.2	2,956	18.3	3,568	20.2

Mobil total ⁵	1,047	19,136	5.5	2,961	26.1	¹⁴ 7,484	14.7
United States	366	6,114	6.0	272	57.4	4,168	9.3
Foreign	681	13,022	5.2	2,689	20.2	3,316	21.6
Phillips total ⁶	233	4,234	⁷ 4.9	324	39.2	1,977	12.6
United States	162	3,126	5.2	142	53.1	1,317	12.8
Foreign	71	1,108	4.0	182	19.7	660	12.3
Shell total ⁵	621	7,708	8.0	480	56.4	¹⁰ 4,096	16.0
United States	666	7,696	8.6	525	55.9	4,055	17.3
Foreign	(45)	12	(45)	50.2	41	(100+)	
Standard of California total ⁵ ¹¹	970	17,191	5.6	1,573	38.1	7,067	14.0
United States	327	5,478	6.0	258	55.9	4,254	8.0
Foreign	643	11,713	5.0	1,315	32.8	2,813	23.3
Standard of Indiana total ⁶ ²⁰	873	9,063	9.7	1,038	45.7	6,163	14.9
United States	638	7,097	9.0	554	53.5	4,498	14.8
Foreign	235	1,966	12.4	484	33.1	1,665	15.4
Standard of Ohio total ⁶	72	1,840	3.9	65	52.6	¹⁴ 1,715	4.3
United States	63	1,754	3.6	26	70.8	1,715	4.3
Foreign	9	86	10.7	39	18.8	(²³)	(²³)

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
1974							
Sunoco total⁶	375	3,771	9.9	620	37.7	¹⁵ 3,089	12.9
United States	280	3,192	8.8	263	51.6	2,440	12.2
Foreign	95	579	16.3	357	20.9	649	15.6
Texaco total⁶	1,545	23,056	6.7	¹⁸ 9,395	14.1	¹⁴ 9,952	15.5
United States	432	7,612	5.7	423	50.5	5,214	8.3
Foreign	1,113	15,444	7.2	8,972	11.0	4,738	23.5
10-company total²⁴	9,332	146,038	6.4	31,548	22.8	64,714	(¹²)
United States	4,356	60,110	7.2	3,553	55.1	37,576	(¹²)
Foreign	4,976	85,928	5.8	27,995	15.1	27,138	(¹²)
Exxon total	2,300	26,750	8.6	8,180	¹⁹ 21.9	13,779	18.4
United States ²	830	7,265	11.4	608	57.7	4,877	17.2
Foreign ³	1,470	19,485	7.5	7,572	16.3	8,902	19.1

Gulf total ⁵	800	9,836	8.1	1,641	32.8	7,670	11.7
United States	226	4,619	4.9	157	59.0	3,885	6.3
Foreign	574	5,217	11.0	1,484	27.9	3,785	17.5
Mobil total ⁵	849	11,526	7.4	1,409	37.6	10,690	13.8
United States	275	3,930	7.0	195	58.5	4,894	8.8
Foreign	574	7,596	7.6	1,214	32.1	5,797	19.3
Phillips total ⁶	152	2,270	7.5.8	122	¹⁰ 55.:	1,860	9.4
United States	96	1,861	5.1	97	50.0	1,295	8.6
Foreign	56	409	9.0	24	70.0	565	11.2
Shell total ⁵	333	4,932	6.7	257	56.4	¹⁰ 3,951	9.2
United States	370	4,932	7.5	¹⁰ 291	56.0	3,946	10.2
Foreign	(37)	.....	.....	(34)	52.4	4	(100+)
Standard of California, total ^{5,11}	844	7,762	10.9	1,226	40.8	6,870	13.5
United States	184	3,538	5.2	178	50.8	4,126	5.2
Foreign	660	4,224	15.6	1,048	38.6	2,744	26.7
Standard of Indiana total ⁶	466	5,697	8.2	408	53.4	4,967	10.1
United States	381	4,663	8.2	272	58.4	3,401	11.8
Foreign	86	1,033	8.3	136	38.7	1,566	6.2

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued
 [In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
Standard of Ohio total ⁶	52	1,225	4.3	52	49.9	¹⁴ 1,419	5.1
United States	45	1,181	3.8	42	51.5	1,419	5.1
Foreign	7	44	16.9	10	41.2	(²³)	(²³)
Sunoco total ⁶	225	2,201	10.2	265	45.9	¹⁵ 2,735	9.1
United States	144	1,860	7.7	146	49.5	2,023	8.1
Foreign ¹⁶	81	341	23.9	119	40.8	712	11.8
Texaco total ⁵	1,243	¹⁷ 1,248	11.1	¹³ 3,736	25.0	¹⁴ 8,771	14.2
United States	434	4,304	10.1	269	61.8	4,455	9.7
Foreign	809	6,944	11.6	3,467	18.9	4,316	18.7
10-company total ²⁴	7,264	83,403	8.7	17,286	29.6	62,712	(¹²)
United States	2,985	38,153	7.8	2,255	57.0	34,322	(¹²)
Foreign	4,280	45,249	9.5	15,030	22.2	28,390	(¹²)

1970

Exxon total	1,267	17,842	7.1	4,447	¹⁰ 22.2	12,765	11.1
United States ²	587	5,491	10.7	460	56.1	4,754	12.5
Foreign ³	680	12,351	5.5	3,987	14.6	8,011	10.3
Gulf total ⁵	550	6,597	8.3	687	44.5	7,397	8.7
United States	359	3,881	9.3	166	68.4	3,991	9.8
Foreign	191	2,716	7.0	521	26.8	3,406	7.4
Mobil total ⁵	483	7,369	6.6	639	43.0	7,921	9.8
United States	247	3,024	8.2	195	55.9	4,105	9.0
Foreign	236	4,345	5.4	444	34.5	3,816	10.8
Phillips total ⁶	124	1,772	7 6.3	109	¹⁰ 53.2	1,791	8.1
United States	110	1,618	6.6	112	49.5	1,412	9.0
Foreign	14	154	3.1	(3)	127.3	379	4.8
Shell total ⁵	237	3,621	6.6	202	54.0	¹⁰ 3,379	7.7
United States	249	3,621	6.9	⁹ 213	53.9	3,378	8.0
Foreign	(12)	(²⁵)	.....	(12)	51.5	1	(100+)
Standard of California total ^{5,11}	455	4,386	10.4	696	39.5	5,392	9.2
United States	194	2,679	7.2	156	55.4	3,570	5.8
Foreign	261	1,707	15.3	540	32.6	1,822	16.2

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued

[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
Standard of Indiana total ⁶	320	4,216	7.6	243	58.9	4,056	8.4
United States	258	3,666	7.0	240	51.9	3,049	9.0
Foreign	62	550	11.2	3	95.2	1,007	6.6
Standard of Ohio total ⁶	63	1,071	5.9	26	70.8	¹⁴ 1,188	5.7
United States	60	1,046	5.8	22	73.4	1,177	5.5
Foreign	3	25	10.7	4	39.7	11	29.6
Sunoco total ⁶	138	1,686	8.2	183	43.0	¹⁵ 2,299	6.7
United States	134	1,503	8.9	125	51.7	1,721	8.4
Foreign ¹⁶	4	183	2.4	58	7.0	578	1.6
Texaco total ⁵	760	¹⁷ 6,239	12.2	¹⁸ 1,654	31.5	¹⁴ 6,850	11.1
United States	436	3,092	14.1	266	62.1	3,961	11.0
Foreign	324	3,147	10.3	1,388	18.9	2,889	11.2
10-company total ²⁴	4,397	54,774	8.0	8,882	33.1	53,038	⁽¹²⁾
United States	2,634	29,621	8.9	1,955	57.4	31,118	⁽¹²⁾
Foreign	1,763	25,153	7.0	6,926	20.3	21,920	⁽¹²⁾

1967

17

Exxon total	1,119	14,165	7.9	3,642	¹⁹ 23.5	10,285	11.7
United States ²	504	4,378	11.5	326	60.7	3,861	13.1
Foreign ³	615	9,787	6.3	3,316	15.6	6,424	10.9
Gulf total ⁵	578	5,110	11.3	524	52.5	5,452	11.4
United States	412	NA	NA	173	70.4	3,306	NA
Foreign	166	NA	NA	351	32.1	2,146	NA
Mobil total ⁵	385	5,899	6.5	379	50.4	6,224	9.4
United States	210	2,518	8.3	138	60.3	3,346	8.8
Foreign	175	3,381	5.2	240	42.2	2,878	10.4
Phillips total ⁶	155	1,646	⁷ 8.9	⁸ 112	¹⁹ 58.1	1,668	10.4
United States	141	1,534	8.9	116	54.9	1,404	11.1
Foreign	14	112	9.1	(3)	127.3	265	6.4
Shell total ⁵	285	3,088	9.2	161	63.9	¹⁰ 2,451	12.3
United States	274	3,059	9.0	153	64.2	2,450	11.8
Foreign	11	29	36.7	8	56.9	1	100+
Standard of California total ⁵ ¹¹	409	3,467	11.8	383	51.6	4,530	99
United States	191	2,391	8.0	110	63.5	3,267	6.5
Foreign	218	1,076	20.3	273	44.4	1,263	18.5

See footnotes at end of table.

TABLE 4.—RATES OF PROFITABILITY OF SALES, OF TAXES, AND OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970 AND 1967—Continued
[In millions of dollars]

Company	Net income	Sales	Rate of profitability of sales	Taxes (other than excise)	Rate of profitability of taxes ¹	Employed capital ⁸	Rate of profitability of employed capital ⁴
Standard of Indiana total ⁶	264	3,376	7.8	183	59.1	3,296	8.4
United States	261	3,083	8.5	178	59.4	2,615	10.4
Foreign	3	293	1.2	5	42.3	682	0.7
Standard of Ohio total ⁶	63	533	11.8	49	56.2	14 466	14.5
United States	57	492	11.6	43	57.0	443	13.6
Foreign	6	41	14.6	6	49.2	23	31.7
Sunoco Oil ²¹							
Texaco total ⁶	709	17 5,164	13.7	1,220	36.8	14 5,617	12.6
United States	475	2,651	17.9	167	73.9	3,287	14.4
Foreign	234	2,513	9.3	1,053	18.2	2,330	10.1
10-company total ²⁴	3,967	22 37,338	22 9.1	6,647	37.4	39,989	(¹²)
United States	2,525	20,106	10.5	1,404	64.3	23,979	(¹²)
Foreign	1,442	17,232	7.4	5,243	21.6	16,010	(¹²)

¹ The rate of profitability of taxes is the ratio of net income to the sum of net income and taxes (other than excises) paid to Federal, State, local and foreign governments.

² U.S. net income, sales, taxes, and capital employed data are for petroleum and natural gas operations only.

³ Foreign net income, sales, taxes and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

⁴ Based on adjusted net income (i.e., includes after tax interest effect of long-term debt.)

⁵ Net income, sales, taxes, and employed capital figures are total corporate figures.

⁶ Net income, sales, taxes and employed capital figures are for petroleum operations only.

⁷ Net income used for this calculation excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

⁸ Generally comprises stockholder's equity plus long-term debt.

⁹ U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

¹⁰ Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

¹¹ Data, other than income, is for company and majority owned subsidiaries only.

¹² Rate of profitability of employed capital for all 10 companies could not be computed because the adjusted net income (see note 4) of the individual companies was not supplied.

¹³ Includes interests in nonsubsidiary companies.

¹⁴ Average borrowed and invested capital.

¹⁵ Defined as total assets less current liabilities.

¹⁶ Foreign data includes Puerto Rico prior to 1974.

¹⁷ Sales revenue excludes gross income from services, equity in net income of nonsubsidiary companies, dividends, interest and other net income, whereas net income is applicable to all sources.

¹⁸ Revised 1974 income, sales and tax figures to accord with FASB 1975 new accounting standards.

¹⁹ The rates of profitability of taxes for years prior to 1974 for Exxon and Phillips were calculated using the income and tax data supplied by the two companies.

²⁰ Revised 1974 income taxes and employed capital figures to accord with FASB 1975 new accounting standards.

²¹ No data were provided by Sun Oil for years prior to 1968.

²² Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total, U.S. and foreign rates of profitability of sales will be comparable.

²³ Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard of Ohio's five-twelfths of 1 percent interest in the Iranian oil consortium. A calculated return on capital employed for 1973 and 1974 would be meaningless as to foreign operations.

²⁴ Rates of profitability of sales and of taxes are weighted averages based on 10-company totals. Rates of profitability of employed capital is a mathematical average of individual company's rates.

²⁵ Negative rate.

²⁶ Net loss.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 4 of the companies reported this information for petroleum operations only, while 6 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 5.—TAXES OTHER THAN EXCISE TAXES PAID IN 1974-75
 [In millions of dollars]

Company	Federal income taxes	Employ- ment taxes (Federal and State)	Produc- tion and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes	Total
Exxon: ⁸ Total	801	126	166	56	163	1 6,308	4,501	12,121
United States	758	29	135	56	100			
Foreign	43	97	31	.....	63	1 6,308	4,466	11,008
Gulf: Total	120	41	210	7	66	2 1,892	320	2,656
United States	120	22	69	7	48			
Foreign	.....	19	141	.....	18	2 1,892	10 152	418
Mobil: Total	13	66	51	28	92	1,053	1,322	2,625
United States	12 13	31	48	28	78			
Foreign	.....	35	3	.....	14	1,053	13 1,309	211 2,414

Standard of Indiana: ⁸												
Total.....	397	37	114	16	79	761	310	1,714				
United States.....	440	27	89	16	72	7	10	236	880			
Foreign.....	(43)	10	25	.....	7	3761	74	.....	834			
Standard of Ohio: ⁸												
Total.....	(15)	9	21	4	13	12	1	45				
United States.....	(15)	9	5	4	13	.....	1	17				
Foreign.....	.....	.....	16	.....	.....	12	.....	28				
Sun Oil: ⁸												
Total.....	129	15	156	6	42	4248	131	727				
United States ⁹	188	15	48	6	37	5	122	416				
Foreign.....	(59)	.....	108	.....	5	.....	9	311				
Phillips: ⁸												
Total.....	64	9	28	9	24	282	5	421				
United States.....	107	8	28	9	24	.....	5	181				
Foreign.....	(43)	1	.....	.....	.....	282	.....	240				
Shell: ⁸												
Total.....	u 352	28	75	33	78	1	139	706				
United States.....	397	28	75	33	78	.....	10 139	750				
Foreign.....	(45)	.....	.....	.....	.....	1	.....	(44)				

See footnote at end of table.

TABLE 5.—TAXES OTHER THAN EXCISE TAXES PAID IN 1974-75—Continued

[In millions of dollars]

Company	Federal income taxes	Employ- ment taxes (Federal and State)	Produc- tion and severance taxes	State income and franchise taxes	Ad valorem taxes	Foreign taxes	All other taxes	Total
Standard of California:								
Total	52	30	48	20	107	67534	864	1,655
United States	52	26	48	20	94	13	138	378
Foreign	.....	4	.....	.....	13	67534	726	1,277
Texaco:⁵								
Total	53	79	226	25	88	7,130	1,934	9,535
United States	53	33	162	25	70	18	358	701
Foreign	.....	46	64	.....	18	7,130	1,576	8,834
10-company total:								
Total	1,966	440	1,095	204	752	18,221	9,527	32,205
United States	2,113	228	707	204	614	15,521	1,199	5,065
Foreign	(147)	212	388	.....	138	.....	8,328	27,140

¹ Estimated credit utilized in 1975 is \$1,400.² Estimated credit utilized in 1975 is \$837.³ Estimated credit utilized in 1975 is \$412.⁴ Estimated credit utilized in 1975 is \$109.⁵ This schedule includes interests in nonsubsidiary companies.⁶ Excludes company's share of taxes paid by affiliates such as Aramco and Caltex.⁷ Estimated credit utilized in 1975 is \$125.⁸ Petroleum operations only.⁹ Incudes Puerto Rico.¹⁰ Mainly attributable to \$2 per barrel import fee.¹¹ Tax expense per annual report including deferred taxes.¹² Reflects substantial negative deferred tax due to writeoff of eastern gulf offshore tracts.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74

[In millions of dollars]

23								
Capital expenditures and exploration expense		Net income		Exploration expense		Adjusted earnings (2+3)		Capital expenditures and exploration expense as percent of—
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1975								
Exxon, total ²	3,582	2,308	356	2,664	1,418	1,031	3,051	134.5
United States	1,932	1,107	174	1,281	664	494	1,451	150.8
Foreign	1,650	1,201	182	1,383	754	537	1,600	119.3
Gulf, total	1,448	700	317	1,017	628	331	1,314	142.4
United States	957	478	163	641	404	226	819	149.3
Foreign	491	222	154	376	224	105	495	130.6
Mobil, total	1,449	810	243	1,053	768	346	1,475	137.6
United States	700	306	118	424	541	131	834	165.1
Foreign	749	504	125	629	227	215	641	119.1

See footnotes at end of table.

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74—Continued

[In millions of dollars]

	Capital expenditures and exploration expense	Net income	Exploration expense	Adjusted earnings (2+3)	Capital recovery	Dividends paid ¹	Adjusted cash flow (4+5-6) ⁰	Adjusted earnings (1÷7)	Adjusted cash flow (1÷7)	Capital and exploration expense as percent of—
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1975—Con.										
Phillips, total ²	720	254	38	292	292	90	494	246.6	145.8	
United States.....	371	174	18	192	169	62	299	193.2	124.2	
Foreign.....	349	80	20	100	123	28	195	349.0	178.9	
Shell, total.....	1,227	515	152	667	597	221	1,043	184.0	118.0	
United States.....	1,114	541	122	663	546	221	988	168.0	113.0	
Foreign.....	113	(26)	30	4	51	.....	55	.....	205.0	
Standard of California, total ⁴	1,728	773	227	1,000	585	339	1,246	172.8	138.7	
United States.....	1,230	240	123	363	478	105	736	338.4	167.1	
Foreign.....	498	533	104	637	107	234	510	78.2	97.8	
Standard of Indiana, total ²	1,580	761	350	1,111	551	284	1,378	142.2	114.7	
United States.....	924	549	177	726	398	205	919	127.3	100.5	
Foreign.....	656	212	173	385	153	79	459	170.4	142.9	

Standard total ²	1,599	46	5	51	65	19	97	3,135.3	1,648.5
United States	1,599	3	5	3	1	1	2		
Foreign									
Sun Co., total ²	613	216	143	359	280	76	563	170.8	109.0
United States ⁶	394	240	68	308	192	76	424	127.9	93.0
Foreign	219	(24)	75	51	88	.....	139	429.4	158.1
Texaco, total	1,674	831	262	1,092	653	543	1,202	153.3	139.3
United States	978	449	132	581	466	294	752	168.3	130.1
Foreign	696	382	130	511	187	249	450	136.2	154.7
10-company, total	15,620	7,217	2,093	9,309	5,837	3,281	11,865	167.8	131.6
United States	10,199	4,130	1,100	5,230	3,923	1,833	7,319	195.0	139.3
Foreign	5,421	3,087	1,993	4,079	1,914	1,448	4,546	132.9	119.2
1965-74									
Exxon, total ²	19,332	14,775	2,330	17,105	8,552	7,953	17,704	113.0	109.2
United States	7,738	6,284	1,262	7,546	3,558	3,426	7,678	102.5	100.8
Foreign	11,594	8,491	1,068	9,559	4,994	4,527	10,026	121.3	115.6
Gulf, total	9,766	6,160	1,305	7,465	4,700	2,811	9,354	130.8	104.4
United States	5,442	3,528	571	4,099	2,957	1,690	5,366	132.8	101.4
Foreign	4,324	2,632	734	3,366	1,743	1,121	3,988	128.5	108.4

TABLE 6.—SELECTED FINANCIAL DATA, DIVIDED INTO DOMESTIC AND FOREIGN OPERATIONS OF 10 MAJOR OIL COMPANIES FOR 1975 AND FOR 10-YR PERIOD, 1965-74—Continued

[In millions of dollars]

						Capital expenditures and exploration expense as percent of—			
	Net income	Explora- tion expense	Adjusted earnings (2+3)	Capital recovery	Dividends paid ¹	Adjusted cash flow (4+5-6) ⁰	Adjusted earnings (1÷4)	Adjusted cash flow (1÷7)	26
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(6)	(6)
1965-74—Con.									
Mobil, total	9,501	5,443	1,257	6,700	3,880	2,328	8,252	141.8	115.1
United States	5,458	2,392	620	3,012	2,330	1,023	4,319	181.2	126.4
Foreign	4,043	3,051	637	3,688	1,550	1,305	3,933	109.6	102.8
Phillips, total ²	3,147	1,421	3 149	1,570	1,657	802	2,426	200.4	129.7
United States	2,032	1,194	91	1,285	1,239	690	1,834	158.1	110.8
Foreign	1,115	227	58	285	418	112	592	391.2	188.5
Shell, total	7,019	3,073	936	4,009	3,549	1,473	6,085	175.1	115.3
United States	6,747	3,186	822	4,008	3,413	1,473	5,948	168.3	113.4
Foreign	272	(113)	114	1	136	...	137	...	198.5
Standard of California, total ⁴	8,021	5,380	1,304	6,684	3,348	2,323	7,709	120.0	104.1
United States	5,621	2,101	832	2,933	2,728	948	4,713	191.6	119.3
Foreign	2,400	3,279	472	3,751	620	1,375	2,996	64.0	80.1

Standard of Indiana, total ²	7,784	3,658	1,701	5,359	3,269	1,502	7,126	145.3	109.2
United States Foreign	5,353 2,431	3,050 608	1,034 667	4,084 1,275	2,702 567	1,268 234	5,518 1,608	131.1 190.7	97.0 151.2
Standard of Ohio, total ²	1,761	517	40	557	415	244	728	316.2	241.9
United States Foreign	1,740 21	460 57	32 8	492 65	397 18	217 27	672 56	353.7 32.3	258.9 37.5
Sun Co., total ^{2,5}	2,780	1,358	395	1,753	1,046	472	2,327	158.6	119.5
United States Foreign	2,044 736	1,165 193	283 112	1,448 305	866 180	409 63	1,905 422	141.2 241.3	107.3 174.5
Texaco, total ⁸	5,654	4,441	718	5,159	1,866	1,928	5,097	109.6	110.9
United States Foreign	3,673 1,981	1,689 2,752	412 306	2,101 3,058	1,308 558	733 1,195	2,675 2,422	174.8 64.8	137.3 81.8
10-company, total	74,765	46,226	10,135	56,361	32,282	21,836	66,808	132.7	111.9
United States Foreign	45,848 28,917	25,049 21,177	5,959 4,176	31,008 25,353	21,498 10,784	11,877 9,959	40,628 26,180	147.9 114.1	112.8 110.5

¹ Dividends are allocated between U.S. and foreign income on substantially the same basis as income is allocated between U.S. and foreign operations.

² Data for petroleum operations only.

³ Net of tax benefit.

⁴ Data other than net income is for company and majority owned subsidiaries only.

⁵ 7 yr total, 1968-74.

⁶ Includes Puerto Rico.

⁷ Includes Puerto Rico after 1973.

⁸ 4 yr total, 1971-74.

⁹ Adjusted cash flow represents the amount available for capital expenditures and the additional working capital associated with such capital expansion.

Note: Cash flow must cover not only capital expenditures, but also the working capital needs.

Source: Responses from the 10 oil companies listed above to a questionnaire from the Senate Finance Committee. The question was stated "What is the total of exploration expense and capital investment in petroleum assets, in dollars, year by year? What is the ratio between your total cash income (generated by earnings, depreciation, depletion allowance, etc.) and your total investment in petroleum assets, including exploration expense?"

TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Exxon: ^{1,2}									
1975	5.1	9.4	3.6	44,964	11,726	33,238	2,308	1,107	1,201
1974 ¹¹	6.0	9.5	4.8	42,087	10,761	31,326	2,531	1,021	1,510
1973	8.6	11.4	7.5	26,750	7,265	19,485	2,300	830	1,470
1970	7.1	10.7	5.5	17,842	5,491	12,351	1,267	587	680
1967	7.9	11.5	6.3	14,165	4,378	9,787	1,119	504	615
Gulf: ³									
1975	4.4	6.6	2.3	15,838	7,230	8,608	700	478	222
1974	5.9	5.5	6.2	17,952	7,280	10,672	1,065	401	664
1973	8.1	4.9	11.0	9,836	4,619	5,217	800	226	574
1970	8.3	9.3	7.0	6,597	3,881	2,716	550	359	191
1967	11.3	NA	NA	5,110	NA	NA	578	412	166
Mobil: ³									
1975	3.9	4.8	3.5	20,842	6,400	14,442	810	306	504
1974	5.5	6.0	5.2	19,136	6,114	13,022	1,047	366	681
1973	7.4	7.0	7.6	11,526	3,930	7,596	849	275	574
1970	6.6	8.2	5.4	7,369	3,024	4,345	483	247	236
1967	6.5	8.3	5.2	5,899	2,518	3,381	385	210	175
Phillips: ^{4,5}									
1975	4.9	4.8	5.5	4,529	3,579	950	254	174	80
1974	4.9	5.2	4.0	4,234	3,126	1,108	233	162	71

1973	5.8	9.0	2,270	152	56
1970	6.3	3.1	1,772	124	14
1967	8.9	9.1	1,646	112	14
Shell: ³					
1975	6.3	6.6	8,224	515	(26)
1974	8.0	8.6	7,708	621	(45)
1973	6.7	7.5	4,932	333	(37)
1970	6.6	6.9	3,621	237	(12)
1967	9.2	9.0	3,088	285	11
Standard of California: ³					
1975	4.6	3.7	5.2	10,349	533
1974	5.6	6.0	5.0	773	327
1973	10.9	5.2	15.6	970	643
1970	10.4	7.2	15.3	4,224	660
1967	11.8	8.0	20.3	844	261
Standard of Indiana: ⁴					
1975	7.6	6.9	10.4	6,472	218
1974 ¹²	9.7	9.0	12.4	5,478	218
1973	8.2	8.2	8.3	3,538	218
1970	7.6	7.0	11.2	2,679	218
1967	7.8	8.5	1.2	2,391	218
Standard of Ohio: ⁴					
1975	2.3	2.3	3.5	10,744	57
1974	3.9	3.6	10.7	1,840	63
1973	4.3	3.8	16.9	1,225	45
1970	5.9	5.8	10.7	1,071	30
1967	11.8	11.6	14.6	533	63

See footnotes at end of table.

TABLE 7.—RATES OF PROFITABILITY OF SALES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970,
AND 1967—Continued

Company	Rate of profitability of sales			Sales			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
Sun Co. ^{4 7}									
1975	4.9	6.6	Loss	4,377	3,627	750	216	240	(24)
1974	9.9	8.8	16.3	3,771	3,192	579	375	280	(95)
1973	10.2	7.7	23.9	2,201	1,860	341	225	144	81
1970	8.2	8.9	2.4	1,686	1,503	183	138	134	4
1967 ⁹									
Texaco ^{3 8}									
1975	3.4	4.9	2.5	24,331	9,209	15,122	831	449	382
1974	6.7	5.7	7.2	23,056	7,612	15,444	1,545	432	1,113
1973	11.1	10.1	11.6	11,248	4,304	6,944	1,243	434	809
1970	12.2	14.1	10.3	6,239	3,092	3,147	760	436	324
1967	13.7	17.9	9.3	5,164	2,651	2,513	709	475	234
10-company sum-									
mary ¹³									
1975	4.7	6.2	3.6	151,966	66,360	85,606	7,217	4,130	3,087
1974	6.4	7.2	5.8	146,038	60,110	85,928	9,332	4,356	4,976
1973	8.7	7.8	9.5	83,403	38,153	45,249	7,264	2,985	4,280
1970	8.0	8.9	7.0	54,774	29,621	25,153	4,397	2,634	1,763
1967 ¹⁰	9.1	10.5	7.4 ¹⁰	37,338	20,106	17,232	3,967	2,525	1,442

¹ U.S. net income and sales data are for petroleum and natural gas operations only.

² Foreign net income and sales data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

³ Net income and sales figures are total corporate figures.

⁴ Net income and sales figures are for petroleum operations only.

⁵ Net income used for calculation of profitability rate excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

⁶ Company and majority-owned subsidiaries only.

⁷ Foreign data includes Puerto Rico prior to 1974.

⁸ Sales revenue excludes gross income from services; equity in net income of nonsubsidiary companies; dividends interest, and other net income, whereas net income is applicable to all sources.

⁹ No data was provided by Sun Oil for years prior to 1968.

¹⁰ Since U.S. and foreign breakdowns of Gulf's sales data are not available prior to 1968, Gulf has not been included in the 10-company total sales column for 1967, in order that the total U.S. and foreign rates of profitability of sales will be comparable.

¹¹ Revised 1974 income and sales figures to accord with FASB 1975 new accounting standards.

¹² Revised 1974 income figures to accord with FASB 1975 new accounting standards.

¹³ Rates of profitability of sales are weighted averages based on 10-company totals.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 4 of the companies reported this information for petroleum operations only, while 6 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates to profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated: "What is the rate of profitability to sales? To taxes, other than excise taxes? to total investment, including borrowed capital?"

TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975,
1974, 1973, 1970, AND 1967

	Rate of profitability of employed capital ²			Employed capital ¹			Net income		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
<i>Exxon:^{3 4}</i>									
1975	16.0	18.1	14.6	16,142.0	6,192.0	9,950.0	2,308.0	1,107.0	1,201.0
1974 ^{17 18}	18.6	20.5	17.6	14,732.0	5,044.0	9,688.0	2,531.0	1,021.0	1,510.0
1973	18.4	17.2	19.1	13,779.0	4,877.0	8,902.0	2,300.0	830.0	1,470.0
1970	11.1	12.5	10.3	12,765.0	4,754.0	8,011.0	1,267.0	587.0	680.0
1967	11.7	13.1	10.9	10,285.0	3,861.0	6,424.0	1,119.0	504.0	615.0
<i>Gulf:⁵</i>									
1975	9.6	10.7	8.1	8,687.0	4,671.0	4,016.0	700.0	478.0	222.0
1974	14.6	9.8	20.2	8,439.0	4,871.0	3,568.0	1,065.0	401.0	664.0
1973	11.7	6.3	17.5	7,670.0	3,885.0	3,785.0	800.0	226.0	574.0
1970	8.7	9.8	7.4	7,397.0	3,991.0	3,406.0	550.0	359.0	191.0
1967	11.4	(¹⁰)	(¹⁰)	5,452.0	3,306.0	2,146.0	578.0	412.0	166.0
<i>Mobil:⁵</i>									
1975	10.8	7.4	14.9	8,420.5	4,567.6	3,852.9	809.9	305.8	504.1
1974	14.7	9.3	21.6	7,484.0	4,168.0	3,316.0	47.0	366.0	681.0
1973	13.8	8.8	19.3	10,690.0	4,894.0	5,797.0	849.0	275.0	574.0
1970	9.8	9.0	10.8	7,921.0	4,105.0	3,816.0	483.0	247.0	236.0
1967	9.4	8.8	10.4	6,224.0	3,346.0	2,878.0	385.0	210.0	175.0

Phillips: ⁶ 7	1975	11.8	2,266.0	1,506.0	760.0	254.0	174.0	80.0
	1974	12.3	1,977.0	1,317.0	660.0	233.0	162.0	71.0
	1973	11.2	1,860.0	1,295.0	565.0	152.0	96.0	56.0
	1970	4.8	1,791.0	1,412.0	379.0	124.0	110.0	14.0
Shell: ⁵	1967	6.4	1,668.0	1,404.0	265.0	155.0	141.0	14.0
	1975	12.2	13.0	(²⁰)	8 4,536.0	4,441.0	95.0	515.0
	1974	16.0	17.3	(²⁰)	8 4,096.0	4,055.0	41.0	621.0
	1973	9.2	10.2	(²⁰)	8 3,951.0	3,946.0	4.0	666.0
	1970	7.7	8.0	(²⁰)	8 3,379.0	3,378.0	1.0	333.0
	1967	12.3	11.8	(²⁰)	8 2,451.0	2,450.0	1.0	237.0
Standard of California: ⁶	1975	10.9	6.0	18.3	9 7,832.0	4,666.0	3,166.0	773.0
	1974	14.0	8.0	23.3	9 7,067.0	4,254.0	2,813.0	970.0
	1973	13.5	5.2	26.7	9 6,870.0	4,126.0	2,744.0	844.0
	1970	9.2	5.8	16.2	9 5,392.0	3,570.0	1,822.0	455.0
	1967	9.9	6.5	18.5	9 4,530.0	3,267.0	1,263.0	409.0
Standard of Indiana: ⁶	1975	12.0	11.8	12.8	6,829.0	4,988.0	1,841.0	761.0
	1974 ₁₈	14.9	14.8	15.4	6,163.0	4,498.0	1,665.0	873.0
	1973	10.1	11.8	6.2	4,967.0	3,401.0	1,566.0	466.0
	1970	8.4	9.0	6.6	4,056.0	3,049.0	1,007.0	320.0
	1967	8.4	10.4	.7	3,296.0	2,615.0	682.0	264.0
Standard Oil of Ohio: ⁶	1975	1.8	1.7	(²⁰)	11 2,726.0	2,726.0	(¹⁶)	49.0
	1974	4.3	4.3	(²⁰)	11 1,715.0	1,715.0	(¹⁶)	72.0
	1973	5.1	5.1	(²⁰)	11 1,419.0	1,419.0	(¹⁶)	52.0
	1970	5.7	5.5	(²⁰)	11 1,188.0	1,177.0	(¹⁶)	11.0
	1967	14.5	13.6	(²⁰)	11 4,466.0	4,433.0	(¹⁶)	63.0

TABLE 8.—RATES OF PROFITABILITY OF EMPLOYED CAPITAL FOR 10 MAJOR OIL COMPANIES, 1975,
1974, 1973, 1970, AND 1967—Continued

Rate of profitability of of employed capital ²	Employed capital ¹			Net income		
	United States		Foreign	United States	Foreign	Total
	Total	United States	Foreign	United States	Foreign	United States
<i>Sun Co.⁶</i>						
1975	7.3	9.6	⁽²¹⁾ 15.6	3,314	2,673.0	641.0
1974	12.9	12.2	¹² 11.8	3,089.0	2,440.0	649.0
1973	9.1	8.1	¹² 1.6	2,735.0	2,023.0	712.0
1970	6.7	8.4	¹² 1.6	2,299.0	1,721.0	578.0
1967 ¹⁵						
<i>Texaco⁵</i>						
1975	8.4	8.1	^{8.7} 24.2	10,774.0	5,893.0	4,881.0
1974	16.1	8.7	¹¹ 18.7	9,952.0	5,214.0	4,738.0
1973	14.2	9.7	¹¹ 11.0	8,771.0	4,456.0	4,315.0
1970	11.1	11.0	¹¹ 10.1	6,850.0	3,961.0	2,889.0
1967	12.6	14.4	¹¹ 10.1	5,617.0	3,287.0	2,330.0
<i>10-company summary¹⁶</i>						
1975	10.1	9.8	12.7	71,527.0	42,324.0	29,203.0
1974	13.9	11.8	18.9	64,714.0	37,576.0	27,138.0
1973	11.5	9.1	16.3	62,712.0	34,322.0	28,390.0
1970	8.7	8.8	8.2	53,038.0	31,118.0	21,920.0
1967	11.2	11.2	9.4	39,989.0	23,979.0	16,010.0

¹³ 1975

¹⁵ 1967

¹⁶ 1975
1974
1973
1970
1967

240.0
(24.0)
95.0
81.0
4.0

280.0
144.0
134.0

432.0
434.0
436.0

1,113.0
809.0
324.0

382.0
434.0
436.0

1,264.0
2,985.0
2,634.0

4,356.0
4,280.0
1,763.0

3,087.0
4,976.0
1,442.0

¹ Employed capital is the sum of stockholder's equity and long-term debt.

² Rate of profitability or return on capital employed is based on adjusted income as a percentage of employed capital. Adjusted income is the sum of net income and interest on long-term debt, less an amount equal to what would have been the additional tax if such interest were not deductible.

³ U.S. net income and capital employed data are for petroleum and natural gas operations only.

⁴ Foreign net income and capital employed data are for petroleum and natural gas operations only for 1973, 1974, and 1975, and for all Exxon foreign operations for 1970 and 1967.

⁵ Net income and employed capital figures are total corporate figures.

⁶ Net income and employed capital figures are for petroleum operations only.

⁷ Net income used for this calculation excludes the company's portion of the earnings of companies accounted for by the equity method since the sales of such companies are not included in the company's financial statements.

⁸ Employed capital shown is beginning of the year balance of shareholders' investment and long-term debt.

⁹ Company and majority-owned subsidiaries only.

¹⁰ Not available.

¹¹ Average borrowed and invested capital.

¹² Defined as total assets less current liabilities.

¹³ Foreign data includes Puerto Rico prior to 1974.

¹⁴ Net loss.

¹⁵ No data was provided by Sun Oil for years prior to 1968.

¹⁶ Subsequent to the sale of all Canadian assets in 1972, the capital employed consists of an insignificant amount related to Standard of Ohio's five-twelfths of 1 percent interest in the Iranian oil consortium.

¹⁷ Revised 1974 income figures to accord with FASB 1975 new accounting standards.

¹⁸ Revised 1974 income and employed capital figures to accord with FASB 1975 new accounting standards.

¹⁹ Rate of profitability of employed capital for the 10 companies is a mathematical average of individual company's rates.

²⁰ Foreign operations are, or were, insignificant, i.e., less than 5 percent of net assets.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes, other than excise taxes, and of total investment, including borrowed capital. 4 of the companies reported this information for petroleum operations only, while 6 reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"

TABLE 9.—EFFECTIVE TAX RATES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967
EFFECTIVE TAX RATES

[Based on taxes (other than excise) paid to Federal, State, local, and foreign governments]

Company	Effective tax rate ¹			Taxes			Net increase			
	Total	United States	Foreign	Total	United States	Foreign		Total	United States	Foreign
Exxon: ^{2 3}										
1975	81.0	50.1	90.2	12,121	1,113	11,008	2,308	1,107	1,201	
1974 ¹²	82.4	44.5	88.0	11,863	817	11,046	2,531	1,021	1,510	
1973	78.1	42.3	83.7	8,180	608	7,572	2,300	830	1,470	
1970	77.8	43.7	85.4	4,447	460	3,987	1,267	587	680	
1967	76.5	39.3	84.4	3,642	326	3,316	1,119	504	615	
Gulf: ⁴										
1975	79.1	46.7	91.0	2,656	418	2,238	700	478	222	
1974	75.2	40.5	81.7	3,229	273	2,956	1,065	401	664	
1973	67.2	41.0	72.1	1,641	157	1,484	800	226	574	
1970	55.5	31.6	73.2	687	166	521	550	359	191	
1967	47.5	29.6	67.9	524	173	351	578	412	166	
Mobil: ⁴										
1975	76.4	40.7	82.7	2,624.8	210.2	2,414.6	809.9	305.8	504.1	
1974	73.9	42.6	79.8	2,961	272	2,689	1,047	366	681	
1973	62.4	41.5	67.9	1,409	195	1,214	849	275	574	
1970	57.1	44.1	65.5	639	195	444	483	247	236	
1967	49.6	39.7	57.8	379	138	379	385	210	175	

Phillips: ⁵	1975	65.2	51.4	82.0	421	181	254	174	80
	1974	60.8	46.9	80.3	324	142	182	162	71
	1973	44.5	50.0	.....	122	197	24	96	56
	1970	46.8	50.5	.....	109	112	(3)	124	14
	1967	41.9	45.1	.....	112	116	(3)	155	14
Shell: ⁴	1975	57.8	58.1	49.8	706	750	(44)	515	541
	1974	43.6	44.1	.....	480	525	(45)	621	666
	1973	43.6	44.0	.....	257	291	(34)	333	(37)
	1970	46.0	46.1	.....	202	213	(12)	237	(12)
	1967	36.1	35.8	.....	112	116	(3)	285	274
Standard of California: ⁴	1975	68.2	61.2	70.5	7 1,655	378	1,277	773	240
	1974	61.7	44.1	67.2	7 1,573	258	1,315	970	327
	1973	59.2	49.2	61.4	7 1,221	178	1,048	844	184
	1970	60.5	44.6	67.4	7 696	156	540	455	194
	1967	48.4	36.5	55.6	7 383	110	273	409	191
Standard of Indiana: ⁵	1975	69.3	61.6	79.7	1,714	880	834	761	549
	1974	54.3	46.5	66.9	1,038	554	484	881	638
	1973	46.6	41.6	61.3	408	272	136	466	381
	1970	41.1	48.1	4.8	243	240	3	320	258
	1967	40.9	40.6	57.7	183	178	5	264	261
Standard of Ohio: ⁵	1975	47.9	27.0	90.3	45	176	28	49	46
	1974	47.4	29.2	91.2	51	226	25	72	63
	1973	50.1	48.5	58.8	52	42	10	52	45
	1970	29.2	26.6	60.3	26	4	4	63	60
	1967	43.8	43.0	50.2	49	22	3	57	6

See footnotes at end of table.

TABLE 9.—RATES FOR 10 MAJOR OIL COMPANIES, 1975, 1974, 1973, 1970, AND 1967
EFFECTIVE TAX RATES—Continued

Company	Effective tax rate ¹			Taxes			Net increase		
	Total	United States	Foreign	Total	United States	Foreign	Total	United States	Foreign
<i>Sun Co.^{5,9}</i>									
1975	73.1	63.4	79.1	727	416	311	216	240	(24)
1974	62.3	48.4	59.2	620	263	357	375	280	95
1973	54.1	50.5	93.0	265	146	119	225	144	81
1970	57.0	48.3	NA	183	125	58	138	134	4
1967 ¹¹	NA								
<i>Texaco⁴</i>									
1975	92.0	61.0	95.9	8 9,536	8 701	8 8,835	831	449	382
1974	85.9	49.5	89.0	8 9,395	8 423	8 9,72	1,545	432	1,113
1973	75.0	38.2	81.1	3,736	269	3,467	1,243	434	809
1970	68.5	37.9	81.1	1,654	266	1,388	1,760	436	324
1967	63.2	26.1	81.8	1,220	167	1,053	709	475	234
<i>10-company summary¹⁰</i>									
1975	81.7	55.1	89.8	32,206	5,064	27,142	7,217	4,130	3,087
1974	77.2	44.9	84.9	31,548	3,553	27,995	9,332	4,356	4,976
1973	70.4	43.0	77.8	17,286	2,255	15,030	7,264	2,985	4,280
1970	66.9	42.6	79.7	8,882	1,955	6,926	4,397	2,634	1,763
1967	62.6	35.7	78.4	6,647	1,404	5,243	3,967	2,525	1,442

¹ The effective tax rate for purposes of this table is the ratio of taxes to the sum of net income and taxes (other than excises) paid to Federal, State, local, and foreign governments.

² U.S. net income and taxes data are for petroleum and natural gas operations only.

³ Foreign net income and taxes data are for petroleum and natural gas operations only for 1973, 1974, and 1975 and for all Exxon foreign operations for 1970 and 1967.

⁴ Net income and taxes figures are total corporate figures.

⁵ Net income and taxes figures are for petroleum operations only.

⁶ U.S. taxes exclude that portion of U.S. taxes incurred in foreign operations for the years 1970 and 1973. These amounts are shown as foreign taxes.

⁷ Company and majority-owned subsidiaries only.

⁸ Includes interests in nonsubsidiary companies.

⁹ Foreign data includes Puerto Rico prior to 1974.

¹⁰ Rates of profitability of taxes are weighted averages based on 10-company totals.

¹¹ No data was provided by Sun Oil for years prior to 1968.

¹² Revised 1974 income and taxes figures to accord with FASB 1975 new accounting standards.

¹³ Revised 1974 income and taxes figures to accord with FASB 1975 new accounting standards.

NA—Not available.

Note: Data for this table have been supplied by 10 major oil companies in response to a questionnaire from the Senate Finance Committee, asking for rates of profitability of sales, of taxes other than excise taxes, and of total investment, including borrowed capital. ⁴ Of the companies reported this information for petroleum operations only while ⁶ reported total corporate operations. (See headnote to table 1 for explanation of these differences.)

In addition, in determining the rates of profitability of employed capital, the companies based their rates on adjusted net income to include the interest on borrowed capital. Since the adjusted net income figures used for these calculations are not given, it was not possible to determine the rates of profitability of employed capital for the 10-company total.

Source: Responses from 10 major oil companies to a questionnaire from the Senate Finance Committee. The question was stated "What is the rate of profitability to sales? To taxes, other than excise taxes? To total investment, including borrowed capital?"



TABLE 10.—ANNUAL RATES OF RETURN ON STOCKHOLDERS' EQUITY FOR ALL MANUFACTURING, DURABLE MANUFACTURING, AND NONDURABLE MANUFACTURING COMPARED TO PETROLEUM

	First Quarter 1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
All manufacturing corporations	13.3	11.6	14.9	12.8	10.6	9.7	9.3	11.5	12.1	11.7
Durable manufacturing corporations	12.3	10.2	12.6	13.1	10.7	9.1	8.4	11.4	12.2	11.7
Nondurable manufacturing corporations ¹	14.3	12.9	17.2	12.6	10.5	10.3	10.3	11.5	11.9	11.7
Petroleum and coal products ²	14.7	12.5	21.0	11.6	8.7	10.3	11.0	11.7	12.2	12.5
10-company data:										
Total	14.4	12.7	18.6	15.8	11.1	11.6	11.6	11.7	12.8	12.5
United States	17.0	12.9	15.2	11.6	10.8	10.8	11.0	11.6	13.1	12.9
Foreign	11.3	12.6	23.0	21.1	11.7	12.7	11.8	11.7	12.2	11.8

¹ Petroleum and coal products are included in the nondurable manufacturing classification. Other industries classified as nondurable manufacturing by the Federal Trade Commission are (a) food and kindred products; (b) tobacco manufactures; (c) textile mill products; (d) paper and allied products; (e) printing and publishing; (f) chemicals and allied products; and (g) rubber and miscellaneous plastics products.

² The quarterly financial report classification prior to 1974 was "Petroleum Refining and Related Industries." In addition to this

change, an important change was made in 1974 to the reporting of foreign subsidiary income on a nonconsolidated basis.

Source: 10-company data is derived from table 1 of this analysis, i.e., based on actual company figures, not sampling. The remaining figures are derived from table 4 of the Quarterly Financial Report for Manufacturing, Mining and Trade Corporations published by the Federal Trade Commission. The annual rates of return are arithmetic averages of returns for 4 quarters of the respective years.